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Chairman: Mr. Niculescu ..... (Romania)
later: Ms. Barrington (Vice-Chairman) ..... (Ireland)

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00-71835 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 100: Globalization and interdependence (*continued*) (A/C.2/55/L.16)

Draft resolution on cooperation between the United Nations and the Black Sea Economic Cooperation Organization (A/C.2/55/L.16)

1. **Mr. Ducaru** (Romania), introducing the draft resolution on behalf of its co-sponsors, said that four additional countries had joined the co-sponsors, namely, Canada, the Czech Republic, Fiji and Thailand. The Black Sea Economic Cooperation Organization, an intergovernmental mechanism created in 1992, was aimed at establishing an economic cooperation network among its 11 founding member States. The network had been transformed in 1999 into a regional organization under the name of the Black Sea Economic Cooperation Organization. The Organization's main objectives were to make the most efficient use of the advantages derived from geographical proximity and from the complementarities of the national economies of its member States and to speed up the economic and social development of those countries that were seeking to become members of the European Union. The granting to the Organization of observer status in the General Assembly of the United Nations by the adoption of Assembly resolution 54/5 had paved the way for the next step in relations with the United Nations, which was the introduction of a draft resolution aimed at defining the cooperation between the two Organizations. The draft before the Committee took note of the Istanbul Summit Declaration adopted by the Heads of State or Government of the member States of the Organization, in Istanbul, in which the Organization expressed the desirability of strengthening its cooperation with the United Nations. He hoped that the General Assembly would adopt by consensus the draft resolution that had been introduced in the Second Committee.

2. **Mr. Holubov** (Ukraine) said that, in addition to its economic function, the Black Sea Economic Cooperation Organization was helping to create a new political climate in the region, thereby contributing to the promotion of the purposes and principles of the Charter of the United Nations. Under the auspices of the Black Sea Economic Cooperation Organization, the countries of the region had embarked upon development projects mainly in the sectors of energy, transport, communications, the environment, banking, finance, agriculture, suppression of drug trafficking, and science and technology. New models of cooperation had also been developed to respond to technological and natural disasters and to combat international crime. The regional role of the Black Sea Economic Cooperation Organization was already recognized at the international level on account of its cooperation with various international economic and financial organizations. The members of the Organization, convinced that regional cooperation was a key element of the process of integration in Europe, were determined to promote closer cooperation between the Black Sea Economic Cooperation Organization and the European Union, and other European structures. The granting by the General Assembly of the status of observer at the United Nations had been in recognition of the Organization's international importance. Ukraine attached great importance to the development of bilateral and multilateral cooperation within the framework of the Black Sea Economic Cooperation Organization aimed at the integration of the countries of South-East Europe into the European Economic Area. In that regard, the Ukrainian delegation fully supported the draft resolution on cooperation between the United Nations and the Black Sea Economic Cooperation Organization and urged Member States to support that important initiative, which should help to bring the countries of the region closer together and to promote peace and stability in the region and in the world.

Agenda item 92: Macroeconomic policy questions (*continued*) (A/C.2/55/L.19)

(a) Trade and development (*continued*)

Draft resolution on the transit environment in the landlocked States in Central Asia and their transit developing neighbours (A/C.2/55/L.19)

3. **Ms. Jarbussynova** (Kazakhstan), introducing the draft resolution, said that Kazakhstan, a landlocked country, attached great importance to cooperation with the United Nations system in the transit environment in the landlocked States in Central Asia and their transit developing neighbours. Because of the process of globalization, the development of economic ties between East and West, and the growing share of the countries of Asia in global output, it was very

important to create transcontinental and subregional transport corridors, particularly for landlocked countries and countries that were remote from maritime ports. The resolutions adopted on the transit environment in the landlocked States in Central Asia and their transit developing neighbours (resolution 51/168 and resolution 53/171) had had a positive influence on the transit environment in the region, by facilitating access by the region to international markets.

4. In order to strengthen cooperation between the States of the region and the United Nations in organizing the system of transit transport in Central Asia, the co-sponsors were submitting a revised text, which they hoped would receive broad support from Member States.

Agenda item 102: Third United Nations Conference on the Least Developed Countries (*continued*) (A/55/222)

5. **Mr. Chowdhury** (Bangladesh) recalled that participants in the first session of the Intergovernmental Preparatory Committee had felt that an additional session would be required to facilitate progress, ensure high-level participation and generate the necessary political will. The major global conferences of the 1990s had generated a wealth of ideas on how to approach the problems of development. The lead agencies of the conferences should make direct inputs to the draft programme of action. The secretariat of the United Nations Conference on Trade and Development (UNCTAD) should coordinate the participation of those agencies and other stakeholders. The new programme of action should be based on the experiences of the least developed countries and the difficulties they had faced in implementing the Programme of Action which had been adopted in 1990. There should be measurable commitments for both the least developed countries and their development partners. The performance of the least developed countries and of donors should be regularly monitored by the United Nations system. The Third United Nations Conference on the Least Developed Countries should focus on such key areas as the eradication of poverty, since the concentration of people living in absolute poverty was highest in the least developed countries; the reorientation of aid programmes, given that it had been recognized that the least developed countries would depend on official development assistance for a large part of their development programmes; the reduction of the debt burden, whose high level and servicing obligations were a drain on the limited earnings of the least developed countries; the increase in foreign direct investment, whose flow was too small to offset the decline in official development assistance; questions concerning duty-free and quota-free market access for products from the least developed countries; and enhanced capacity-building, notably through the elimination of trade barriers and supply-side constraints.

6. **Mr. Aho-Glele** (Benin) said that the situation of the least developed countries would deteriorate if effective measures were not taken urgently, and that the number of countries in that group would increase if the international trading system and international financial architecture were not restructured. The state of preparations for the Third United Nations Conference on the Least Developed Countries bode well for its success. It was nonetheless regrettable that the post of Executive Secretary of the Conference had not yet been filled. It was to be hoped that the next Conference would have a tangible outcome that would make it possible to eliminate the least developed category by the year 2020. The programme of action should define specific and measurable goals and performance indicators in order to gauge the progress achieved and rectify shortcomings. The goals set should lay the structural groundwork to enable the countries concerned to embark on the path of sustainable and self-sufficient development. That would require building the capacities of the least developed countries in the area of new information and communication technologies. Once the programme of action was adopted, the greatest challenge would remain its financing. It would therefore be useful to contemplate new methods of mobilizing resources in order to ensure their availability and predictability. In order to guarantee the success of the programme of action, the Conference should design appropriate structures at the national, regional and international levels, which would be very vital for Africa, where more than two thirds of the least developed countries were situated. It would therefore be desirable if, in Africa, the national committees established for the elaboration of draft national programmes of action became national committees for the implementation, follow-up and evaluation of the programme of action. At the regional level, the Economic Commission for Africa should

coordinate the implementation and annual evaluation of the programme of action through its subregional development centres. At the international level, the Secretary-General could establish a United Nations commission whose main responsibility would be implementation, follow-up and evaluation of the programme of action.

7. *Ms. Barrington (Ireland), Vice-Chairman, took the Chair.*

8. **Mr. Rahmtalla** (Sudan) said that, like the Bureau of the Intergovernmental Preparatory Committee, his delegation was concerned that the least developed countries were increasingly marginalized and deprived of the benefits of globalization. That concern was reflected in the conclusions of the recent UNCTAD report evaluating the progress achieved in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. Those conclusions emphasized the fact that declining official development assistance had had an adverse impact on the economic and social situation of the least developed countries, that an infusion of capital was essential to poverty reduction and to guaranteeing sustainable development, that the use of official development assistance to relieve external debt did not help to resolve the problem since the least developed countries put that assistance towards servicing their debts, and that the countries concerned should adopt effective domestic policies within the framework of a clear strategy, with a view to the prudent use of financial resources.

9. In the light of those conclusions, the Third United Nations Conference on the Least Developed Countries should generate recommendations and resolutions with a view to enhancing the productive capacities and competitiveness of the least developed countries. At the same time, it would be important to increase capital flows and official development assistance, cancel the debt of the least developed countries and facilitate their access to international markets. As for the draft annotated outline of the new programme of action, his delegation wished to stress that it should be based on realistic and measurable priorities, and not merely reiterate the previous two Programmes of Action. It should also reflect the priorities set out in the regional programmes of action for the least developed countries.

10. His delegation also supported the proposal recently put forward by the Ministers for Foreign Affairs of the least developed countries regarding the convening of an additional session of the Preparatory Committee for the Conference. It hoped that that proposal would be adopted by the Second and Fifth Committees and that the necessary resources would be made available for that purpose.

11. **Mr. Kebede** (Ethiopia) said that the challenges facing the least developed countries were complex and their solution required a multidimensional approach encompassing increased development aid, outright debt cancellation, enhanced productive capacity and improved market access for their products, as well as the creation of a supportive environment at both the national and international levels. Apart from their weak economic and institutional structures, the least developed countries were often victims of natural disasters and were confronted by an unfavourable external economic environment. Moreover, international cooperation and solidarity in support of those countries fell short of expectations; heightening their vulnerability. Although the least developed countries had launched comprehensive economic and social reform programmes, their socio-economic decline had continued and the gap between the level of their financial resources and their ever-increasing needs was widening. The continued marginalization of the least developed countries from an increasingly globalizing economy and their deprivation in the midst of global prosperity were clear evidence of the collective failure to improve their situation. The previous two Conferences on the least developed countries and their Programmes of Action had failed to improve the situation. Owing to the failure of those two Programmes of Action, the number of countries in the group of least developed countries had increased: there were now 48, compared to 25 in the 1980s, and that trend could well continue unless concrete measures were taken. While traditional development problems in the least developed countries remained unresolved, new challenges were emerging to exacerbate them. Concrete actions and shared partnership were urgently needed in order to improve the situation of those countries.

12. The current report on the least developed countries contained analyses and recommendations that were worth highlighting. First, official development assistance was the only dependable source of financing growth in those countries and it had continued to decline. That decline had contributed to

macroeconomic instability and the poor economic performance in the least developed countries. The report stressed that additional aid was a precondition for economic growth, poverty reduction and sustainable development in those countries. Secondly, regarding debt, debt relief initiatives were too late and too slow and, in any case, the assistance they brought was too small. Debt relief could not be a substitute for official development assistance. Thirdly, the international aid delivery system must be changed in order to improve coordination of the actions of donors, international financial institutions and official aid agencies, and to involve the recipient countries. Fourthly, local ownership was necessary for the implementation of appropriate development policies. That would require not only the preparation of strategies but also effective control over the allocation of funds within a coherent and integrated budgetary process.

13. Based on past experience, the least developed countries called upon their development partners to provide substantial and unconditional development aid, commensurate with their development needs, and to take broad debt cancellation initiatives without delay. Priority should be given to the implementation of the enhanced Heavily Indebted Poor Countries Debt Initiative. The debt-servicing capacity of the least developed countries was continually declining and debt servicing absorbed a substantial proportion of their development aid. Investment in physical and human infrastructure must be enhanced with a view to strengthening the productive capacities of the least developed countries. In that connection, he called for the rapid implementation of the Integrated Framework for Trade-related Technical Assistance, on which no action had been taken as yet for lack of adequate resources. Improved market access for the export products of the least developed countries was also necessary. In that connection, he welcomed the measures taken by the European Union; also praiseworthy was the initiative taken by the United States of America (African Growth and Opportunity Act). Actions must be taken to ensure the full integration of the least developed countries into the global trading system through, inter alia, the special differential measures provided for in the Uruguay Round of multilateral trade negotiations.

14. As for the preparations for the Third United Nations Conference on the Least Developed Countries and the content of the programme of action, his delegation believed that the programme of action should be different from the previous Programmes and have a mechanism for tackling all development challenges facing the least developed countries, both old and emerging. It should set measurable and implementable goals and indicate the means of achieving them and, in addition, specify the role of government in the least developed countries. Furthermore, coherence between national and international programmes must be maintained, and the international community must ensure coherence between the poverty reduction strategy papers (PRSPs) to be prepared by the Bretton Woods institutions and the programme of action. Although the implementation of the programme of action was the responsibility of all stakeholders, the least developed countries should have sole ownership of programme preparation and priority-setting. The Conference in 2001 should designate a strong intergovernmental body responsible for monitoring the implementation of the programme of action.

15. The least developed countries, for their part, were determined to pursue economic and political reform programmes taking into account their specific circumstances. The success of the Third United Nations Conference on the Least Developed Countries depended not only on additional development finance, but also on resolutely breaking the vicious circle of poverty and quickly integrating the least developed countries into the increasingly globalized world economy.

16. **Mr. Babar** (Pakistan) noted that the review of the implementation of the Programme of Action adopted by the Second United Nations Conference on the Least Developed Countries had clearly established that the progress made had been far from satisfactory; in certain cases, the situation of the least developed countries had worsened and the number of countries belonging to that group was larger than it had been in the previous decade. The development programmes and policies adopted by the least developed countries had been rendered ineffective owing to the challenges posed by globalization and the liberalization of trade, a continuing decline in flows of official development assistance (ODA) and a high level of external debt.

17. The Third United Nations Conference on the Least Developed Countries must, on the basis of lessons learned from previous programmes, suggest

concrete measures in accordance with a fixed timetable, in order to achieve positive results. The participants should focus on four principal areas of concern: first, levels of ODA for human resource development, capacity-building and other projects permitting the least developed countries to become integrated into the global economy must be raised. Second, durable solutions must be found to the problem of the external debt of those countries. Third, market access for the export products of the least developed countries must be improved, a measure which should be accompanied by the enhancement of their production capacity and competitiveness; there was thus a need for technical assistance to enable them to participate in multilateral trade negotiations. Fourth, an enabling international economic environment must be created which would support the domestic policies adopted by the least developed countries, especially in view of the fact that such countries were especially vulnerable to shocks emanating from the forces of globalization, and were therefore in serious danger of being marginalized. If the Third United Nations Conference on the Least Developed Countries was to succeed in assisting the development efforts of such countries, the international community must muster the political will to achieve those goals.

18. The world leaders who had participated in the Millennium Summit had undertaken to address the special needs of the least developed countries and to take specific measures in that regard. For their part, the least developed countries would do their utmost. Every effort should be made to demonstrate that the objectives contained in United Nations documents could be achieved through determined collective action.

19. **Mr. Chave** (Observer for Switzerland) said that his country increasingly supported the preparatory process for the Third United Nations Conference on the Least Developed Countries, that the number of least developed countries had grown from 25 to 48 since 1971, and that the marginalization of such countries was steadily worsening. Consequently, the participation of the least developed countries in global trade had declined by 40 per cent between 1990 and 1997, and now represented only about 0.5 per cent thereof.

20. Through bilateral development cooperation, Switzerland accorded particular support to policies and activities aimed at reducing poverty in the least developed countries. It therefore wished to take an active part in the formulation of a new programme of action for the least developed countries, which would include commitments aimed at reducing poverty in, and the marginalization of, such countries. It hoped that such commitments would be implemented effectively within the framework of an appropriate, flexible monitoring process which would, where necessary, allow for the reorientation of activities in the light of experience.

21. The draft of the new programme of action for the least developed countries raised some interesting points. The least developed countries, which were the countries most concerned with the outcome, should make a fundamental contribution to its formulation. Ideally, they should be able to submit their national programmes of action to the preparatory committee or to the Secretariat as quickly as possible, so as to provide the necessary raw material for the formulation of the general programme of action.

22. Those programmes of action should be developed in complementarity with the United Nations Development Assistance Framework, the Comprehensive Development Framework, and the Poverty Reduction Strategy Papers.

23. The following areas should be the main thrusts of the new programme of action for the least developed countries. First, only good governance would allow the least developed countries to strengthen their economic, social and environmental development; that concept would embrace an economic policy designed to give greater support to private investment and at the same time stimulate balanced economic growth, together with the participation of civil society in the decision-making process and a transparent and honest public administration. Second, special priority should be accorded to primary education, in particular the education of girls, with a view to developing human resources. Third, access to adequate health services, especially in the area of mother and child health, should be ensured as should access to drinking water. Fourth, the informal sector should be integrated into the various areas of activity; in particular, capacity-building and the training of human resources employed in that sector, microenterprises and microcredit should be considered priorities. Fifth, the funding of the programme of action should include measures allowing for an increase in financial resources linked to official development assistance for the least developed countries, better access for the products of the least

developed countries to northern markets should be ensured, local savings should be encouraged through decentralized financial institutions, especially in rural areas, and the tax system should be reformed with a view to expanding the tax base, partly through direct taxation on income and capital and partly through the introduction of indirect taxation methods.

24. **Mr. Snyder** (United States of America) said that his Government placed a high priority on assistance to the least developed countries in their efforts to achieve sustainable development.

25. It hoped that the preparatory process and the Conference itself would serve not only as a forum for an exchange of ideas but would also produce concrete and tangible solutions. In that regard, the formulation of programmes of action for individual countries remained the most effective way to encourage the Governments of the least developed countries to identify problems and seek appropriate solutions to their economic and social problems. Sustainable development was a task that should not be placed solely on Governments; other participants and partners should be involved, including the private sector and civil society.

26. Although the work of the Conference secretariat in organizing the Conference was encouraging, he believed that there should be cooperation between the secretariat and all Member States, particularly the least developed countries and the European Union, which was hosting the Conference, in order to achieve greater transparency in the preparatory process. The participation of the private sector and of non-governmental organizations in the preparatory process and in the Conference itself should be strongly encouraged, in order to ensure the greatest degree of completeness and to ensure that all points of view and resources were adequately represented.

27. The United States planned to work with the least developed countries to take advantage of the unprecedented political and economic possibilities that currently existed, and to consider in greater detail the special needs of those countries, so that all countries could benefit from the globalized economy. At the dawn of the new millennium, the opportunities for advancement, change and growth were unsurpassed. Both developed and developing countries must work to set aside their traditional differences of opinion and make a commitment to promote sustainable development for the benefit of all parties. The Conference would provide a good occasion for the execution of those ideas.

28. **Mr. Al-Hadad** (Yemen) said that the technical preparations for the Third United Nations Conference on the Least Developed Countries should be accompanied by political will and good faith, so that the least developed countries could emerge from the spiral of the social and economic problems they were confronting. Priorities must be defined: first and foremost, the eradication of all forms of poverty by an increase in official development assistance, which should be devoted to investments in basic infrastructure. In addition, it was important to facilitate access to global markets for the agricultural and industrial products of the least developed countries and to increase their share in the market. Furthermore, countries that were in the process of joining the World Trade Organization should be able to continue to enjoy the advantages they had been granted until such time as their economic situation improved. His delegation hoped that the programme of action to be adopted by the Conference would clearly define a strategy and modalities that would permit the least developed countries to resolve their economic and social problems. It also hoped that the industrialized countries, the United Nations and its various funds and agencies, and the international financial institutions would coordinate their efforts in order to bring about the necessary transformations that would allow the least developed countries no longer to be subjected to exclusion and marginalization.

29. **Mr. Lelong** (Haiti) welcomed the adoption by the General Assembly of resolution 52/187, in which it had decided to convene the Third United Nations Conference on the Least Developed Countries in 2001 in order to assess the results of the Programme of Action during the 1990s and to consider and adopt measures which could effectively resolve the development problems of the least developed countries. His delegation welcomed the progress made in the preparations for the meeting. An intergovernmental preparatory committee and a high-level panel on the assessment of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s had already been convened.

30. The Government of Haiti, recognizing the importance of preparations at the national level to ensure the success of the Conference, had established a

national preparatory committee which was open to civil society, including the private sector and non-governmental organizations.

31. In the Programme of Action for the 1990s, the international community had committed itself to reversing the increasing decline in the socio-economic situation of the least developed countries. Regrettably, the commitments made had not been respected.

32. At the international level, globalization and the liberalization of trade, the spiralling decline in official development assistance (ODA) and the high rates of indebtedness of the least developed countries had been the major impediments to the realization of the objectives of the Programme of Action. The level of ODA received by those countries had been reduced by 22.6 per cent in the 1990s, while the number of such countries had increased from 42 to 48.

33. Official development assistance today accounted for 0.02 per cent of the total GDP of States members of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), a figure which was well below the targets set by the United Nations. Assistance to the least developed countries was at its lowest level in 25 years. The target of 0.15 per cent of the GDP of donor countries established in the Programme of Action was far from having been met; instead, it had decreased from 0.09 per cent in 1990 to 0.05 per cent in 1998.

34. At the national level, the development of the least developed countries had been slowed down largely by poor mobilization of domestic resources, an unprecedented decline in commodity prices and the failure of those countries to attract foreign direct investment, and sometimes by political conflict. Those countries had thus become dependent on foreign aid, which was in sharp decline. As a consequence, they found themselves marginalized in the international arena.

35. His Government, for its part, had undertaken to improve Haiti's economy despite the scarcity of resources at its disposal. An increase of 4 per cent in GDP had been recorded in 1998. Inflation had been reduced to 8.5 per cent after reaching 21 per cent in 1997. The main reason for that improvement was an increase in rice yields following agrarian reform.

36. While it welcomed the numerous initiatives for alleviating the indebtedness of poor countries, his delegation was strongly in favour of expanding the Cologne (HIPC) initiative to include other countries. The conditions for admissibility should thus be reassessed. It was inappropriate to use the debt to export income ratio as a criterion, since on that basis, a country as poor as Haiti did not meet the criteria and could not benefit from alleviation of its debt on the pretext that it was not sufficiently indebted. Nevertheless, Haiti was required to maintain a debt-servicing level equivalent to 8 per cent of its export income. Other criteria — such as the relationship between the amount reimbursed and the amount spent on education and health — would provide a better indicator of the country's situation.

37. His delegation placed great hopes on the success of the Third United Nations Conference on the Least Developed Countries and the programme of action that would result. The stakes were high for the Governments of the least developed countries. The coming decade must not suffer the same fate as the two previous decades.

38. His delegation hoped that the discussions would lead to the finalization of a true global agenda containing proposals and commitments based on an in-depth study of the limitations of previous policies pursued at the national and international levels, as well as practical cooperation mechanisms which would ensure coherent action to promote economic and social development and to eradicate poverty in the least developed countries over the coming decade. A new approach to cooperation must therefore be adopted in order to create an enabling international environment, to encourage the least developed countries to pursue more effective development policies, and to obtain a firm commitment on the part of the international community to support the efforts of those countries with regard to human development. That commitment should include the strengthening of the production capacity and competitiveness of such countries, as well as improved access to the markets of developed countries for their goods.

39. It was to be hoped that the new programme of action which would result from the Third United Nations Conference on the Least Developed Countries would be sufficiently flexible to enable it to be adapted to the numerous changes occurring at the international level, and to respond to the needs of the least developed countries over the coming decade.

40. **Mr. Mwakawago** (United Republic of Tanzania), speaking on behalf of the States members of the Southern African Development Community (SADC), said he was pleased to note that preparations for the Conference to be convened in Brussels were already well under way. SADC attached great importance to that Conference, which would give all parties an opportunity to examine the problems facing the least developed countries in the context of globalization. The first two Programmes of Action for the least developed countries had not lived up to their promises; the number of such countries had in fact increased, from 41 in 1990 to 48 today. The major causes of the worsening economic situation included the twin processes of globalization and trade liberalization which marginalized some of the least developed countries, the decline in ODA, the debt problem, the lack of investments, internal conflicts and natural disasters, as well as incidences of pandemics such as HIV/AIDS.

41. Globalization could be positive if its benefits were equitably shared among all participating countries. There was therefore a need to undertake measures to ensure the integration of the least developed countries in the world trading system. That could be attained, inter alia, through improved production of the goods and services of those countries and through unhindered markets for their goods. In that regard, the decision of the European Union to grant duty-free, quota-free access to their products should be welcomed. It was to be hoped that the Third Conference on the Least Developed Countries would closely examine the question of resource allocation and technical assistance to those countries. The average flow of ODA to developing countries was 0.25 per cent — a figure which was far below the agreed target of 0.7 per cent — and 0.05 per cent for the least developed countries compared to a target of 0.15 per cent. Some donor countries should be commended for meeting or even surpassing the agreed targets. The States members of SADC also welcomed the commitment of the international community to addressing the debt problem of developing countries through various relief measures. In that regard, the enhanced heavily indebted poor country initiative appeared most promising and it was to be hoped that it would be expanded to cover other countries. The question of foreign direct investments was related to the issue of resource flows. The trend for such flows to developing countries had generally been positive, but the proportion received by the least developed countries in the 1990s had been a mere 1.4 per cent, compared to 3.6 per cent in the period from 1975 to 1982. Most of those countries had undertaken painful structural adjustment reforms in order to create a climate conducive to investments. Other measures were also under way. It was to be hoped that the Conference would be used to explore ways of attracting foreign direct investments to the least developed countries.

42. In the face of such a situation, international cooperation in the area of technology transfer was crucial to help the least developed countries to improve their productivity and competitiveness in the world economy. One of the major impediments to development was the persistence of conflicts in some countries in Africa, which caused refugee flows. That image of Africa had a negative impact on the continent's economic activities and discouraged potential investors. During the past 10 years, therefore, Africa had been taking conflict resolution very seriously.

43. Natural disasters were a further impediment to economic growth and sustainable development. The States affected lacked the capacity to respond to those problems. Recently, the SADC region had suffered from the El Niño phenomenon, which had brought floods followed by drought. Floods had also ravaged South Africa and Mozambique, causing considerable damage. The international community should strengthen the modalities for assisting developing countries, particularly the least developed countries, in order to mitigate the impact of such disasters.

44. Moreover, the least developed countries had been seriously affected by epidemics, particularly the HIV/AIDS pandemic. The problem had reached alarming proportions in some countries; it was therefore necessary to undertake urgent preventive measures and provide treatment, including affordable medicines.

45. With regard to preparations for the forthcoming Conference, the Secretary-General should appoint the Executive Secretary of the Conference and Special Coordinator for Least Developed Countries, Landlocked and Small Island Developing Countries to oversee the preparatory process as soon as possible and, in addition to the April 2001 meeting of the Preparatory Committee, one other session should be organized. He had learned that the resources allocated

for the Conference and its preparation were inadequate and hoped the Secretary-General would mobilize additional resources in order to ensure its success. The member countries of the Southern Africa Development Community (SADC) hoped the meeting would produce a new programme of action setting concrete, quantifiable and measurable objectives.

46. **Mr. Awesso** (Togo) said the Third United Nations Conference on the Least Developed Countries to be held in Brussels in 2001, was especially important because the socio-economic situation of that category of countries had not improved. On the contrary, it had been exacerbated by the negative effects of globalization, which had accentuated the least developed countries' marginalization within the global economy. That reality was in sharp contrast to the objective of halving the number of persons living in poverty by 2015. The key to a successful Conference was good preparation and he welcomed the report of the Secretary-General on the state of preparations for the Third United Nations Conference on the Least Developed Countries (A/55/222). He also welcomed the discussions of the Intergovernmental Preparatory Committee for the Conference and the creation by the Secretary-General of the Conference of a high-level panel to review progress made in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

47. With regard to preparations at the regional level, the outcome of meetings such as the meeting of African ministers of finance and planning should reinforce the preparatory process for the Conference. The support provided by the European Union and UNDP had facilitated the creation of national preparatory committees and the establishment of national programmes of action, which should propose concrete measures to combat poverty, as recommended by UNCTAD. In addition, the European Union and certain donors had pledged contributions for financing the Conference process.

48. The African countries, which included 33 of the 48 least developed countries, were committed to the success of the Brussels Conference. The 36th Summit of the Organization of African Unity (OAU) had recently adopted an important declaration calling on the international community to redouble its effort in the critical areas of debt cancellation, resource flows, capacity-building and infrastructural development with concrete programmes to be worked out in cooperation with OAU and African regional organizations. The Summit participants had called on the creditor countries and multilateral financial institutions to provide real debt relief, including debt cancellation in favour of all least developed countries, complemented by increased capital flows, particularly official development assistance (ODA) and direct foreign investment. In calling on the international community to adopt concrete and effective measures on behalf of the least developed countries, the Heads of State and Government of OAU had undertaken to commit the funds released by debt cancellation to the fight for the eradication of poverty. That declaration by OAU, as well as the declaration adopted by the Havana South Summit and the Millennium Declaration, constituted valuable tools which should help to strengthen the preparatory process for the Third United Nations Conference on the Least Developed Countries and ensure the success of the meeting itself.

49. **Mr. Kittikhoun** (Lao People's Democratic Republic) said that globalization was not a new phenomenon but that institutional and policy changes were needed to humanize it. The free movement of capital must be matched with the free movement of labour and trade liberalization would proceed faster if developed countries removed quotas, duties and agricultural subsidies. The eradication of poverty and the integration of LDCs into the world economy must go hand-in-hand with concrete measures in the areas of ODA, trade, debt and direct foreign investment, with the cooperation of all stakeholders. The volume, quality and effectiveness of official development assistance should be improved and it should target areas that would have a positive effect on poverty eradication as well as promote accelerated growth and overall development. Foreign direct investment and technology transfer would also enhance the productive capacities of developing countries and increase their competitiveness. The external debt problem remained an obstacle to new investment and development, and additional resources must therefore be found to support economic transformation. Economic and social development was very important, in particular for the eradication of poverty and the provision of basic social services. Socio-economic conditions and education must also be improved, women must be mainstreamed into the development process and the fight against AIDS must also be intensified.

50. He welcomed the progress made in preparations for the Third United Nations Conference on the Least Developed Countries. That Conference was a system-wide undertaking in which UNCTAD had a key role to play with regard to activities at the global level and the review process. Coordination and cooperation at the country level must be reinforced by stressing partnerships. Like other least developed countries, the Lao People's Democratic Republic had participated actively in the preparation process and, by implementing the Programme of Action for the 1990s, had made very encouraging progress. Despite the financial crisis in Asia in 1997, the difficulties encountered had been overcome by drastic government measures such as budget reductions and credit control, which had enabled the country to maintain a growth rate of approximately 6 per cent. National development efforts must, however, be complemented by international support measures and the landlocked States needed greater international financial and technical support to overcome the negative effects of their geographical disadvantage.

51. **Mr. dos Santos** (Mozambique) attached great importance to preparations for the Third United Nations Conference on the Least Developed Countries, which would provide an opportunity to discuss their situation and devise a comprehensive strategy to guarantee economic growth and sustainable development in the poor countries. The situation of the LDCs had deteriorated and their number was increasing. The Programme of Action adopted in Paris in 1990 had not been successful in generating the necessary support in the international community for the development needs of LDCs, which had been exacerbated by the effects of the globalization process. Globalization offered opportunities and risks but its benefits were not evenly shared while the costs were borne by all. The least developed countries were marginalized and excluded from the globalization process. They therefore challenged the international community to show a firm political will to manage that process and allow LDCs to integrate themselves into the global economy and share in its benefits so that globalization would become a positive force for all countries. That would be possible only through the globalization of development, in other words the effective integration of LDCs into the global economy. He welcomed the decision by the European Union to grant duty-free and quota-free access to LDC exports and urged the other developed countries to follow suit. The LDCs must, on their part, improve domestic production capacity to become more competitive in the global market. That required adequate flows of foreign direct investment and technology transfer, but above all increased official development assistance for investments in non-productive areas such as education, health, clean water and basic infrastructure, which were fundamental for the eradication of poverty and the development of productive capacity. The efforts of LDCs to eradicate poverty and achieve sustainable development were severely hampered by the external debt burden; writing off that external debt would enable them to tackle the scourges of poverty and underdevelopment effectively.

52. The holding of the Third United Nations Conference on the Least Developed Countries was the starting-point for implementation of the outcomes of the Millennium Summit, in particular those related to LDCs. The Millennium Declaration had called on the industrialized countries to grant free access to the LDCs' exports, cancel all bilateral debt and provide more generous official development assistance.

53. **Mr. Neral** (Cambodia) noted with appreciation the efforts made by the international community to implement the Paris Programme of Action adopted at the preceding conference and aimed at promoting the development of the LDCs and improving their socio-economic situation. At the same time, it was disheartening that those countries had been unable to benefit from the globalization of the economy or to meet the goals of the Programme of Action, despite the considerable political and economic reforms that they had introduced. It was alarming that the number of LDCs had increased from 42 in 1990 to 48 in 2000. Globalization had placed the LDCs in a very challenging position, forcing them to adapt to an increasingly competitive international environment. The decline in ODA and the considerable increase in the external debt were other factors which impeded the development process for that group of countries.

54. As a group, the LDCs recognized that their problems of underdevelopment could not be resolved without the consistent support and effective cooperation of the international community. He therefore expressed gratitude to the European Union, Norway and the Holy See for the financial support they had provided for the preparatory process of the Third United Nations Conference on the Least Developed Countries.

55. Cambodia welcomed General Assembly resolution 52/187, which called for the convening of the Conference in 2001 and the initiative of the Secretary-General to appoint a high-level panel to review the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The next session of the Intergovernmental Preparatory Committee would hopefully contribute to a great extent to the success of the Conference, which would examine the question of opening up the multilateral trade system as an effective means to promote the development of the LDCs. The participants could also take decisive measures to achieve the objective of reducing poverty by half by 2015. The transfer of increased financial and technological resources was also urgently needed in order to help those countries integrate fully into the global economy.

56. Cambodia was not only a least developed country; it had also undergone decades of war and civil unrest. Currently at peace, it was resolved to promote the eradication of poverty, introducing structural reforms, transparency and good governance while becoming more integrated into the regional and global economy. With the assistance of the Asian Development Bank, it was preparing to launch its second socio-economic development plan for 2001-2005, which would focus on poverty reduction in the most affected regions. Nonetheless, because of its weak human resources would need continued foreign aid in order to carry that plan out.

57. **Mr. Thakur** (Nepal) said that it was very encouraging that the Conference had strong support from the LDCs' development partners, in particular the European Union and Norway, which had expressed their commitment to ensure its success. Poverty eradication was a subject of the highest priority, since nearly half the world's population lived on less than two dollars a day. Various studies had been carried out to evaluate the results of the Programme of Action for the Least Developed Countries for the 1990s. The results had so far been disappointing. It was hoped that the next decade would be a decade of progress and prosperity.

58. The division of the world into rich and poor jeopardized world peace and security. Yet that divide had widened over the years, in particular owing to globalization and the development of information technologies. The LDCs were being increasingly marginalized. Their share of world trade had been just 0.4 per cent in 1998, although they represented 10 per cent of the world population. Furthermore, the number of countries in the LDC category had risen from 42 to 48 in the last two decades.

59. Undeniably, the LDCs could not meet the needs of their populations by themselves. The paucity of resources for development was among the most critical constraints they faced. While ODA, the traditional source of financing for development, had declined in the past decade, the situation had been further aggravated by the increasing burden of foreign debt servicing which was a major drain on their meagre resources.

60. In the current international environment, the LDCs were at a particular disadvantage because of the difficulties they encountered in gaining access to knowledge. A four-pronged approach should be considered to help those countries catch up with the rest of the world: duty-free and quota-free access for local products to the markets of developed countries; more substantial debt relief; considerably enhanced ODA to put in place development infrastructures; and promotion of direct foreign investment in the LDCs through incentives and investment protection mechanisms.

61. It was very encouraging that the General Assembly had adopted the objective of halving poverty by the year 2015. His delegation hoped that the high-level meeting on financing for development to be held in 2001 would take very seriously the multifaceted problems confronting LDCs and draw up a lasting solution.

62. **Mr. Swe** (Myanmar) said that the prime objective of the Programme of Action for the Least Developed Countries for the 1990s had been to arrest the further deterioration in their socio-economic situation, to reactivate and accelerate growth and development and to set them on the path of sustained growth and development. Those commitments had not been kept, and the 48 LDCs were still confronted with poverty and marginalization. At the dawn of a new millennium, they had to face the new challenges of globalization and trade liberalization. The forthcoming Conference would, it was hoped, address the plight of the most vulnerable people, and its outcome would benefit all the least developed countries. Since the quality of the preparatory work was essential for the success of the Conference, his delegation fully supported the

recommendation of the first session of the Preparatory Committee calling for the Committee to hold an additional session in order to consider pending issues.

63. His delegation welcomed the United Nations Millennium Declaration in which the world's leaders, had undertaken to address the special needs of the least developed countries and called on the industrialized countries to take specific actions in the areas of market access, debt relief and ODA. However, it recognized that the LDCs bore the primary responsibility for their development and that the preparatory process at the country level was a key element in the preparation for the Conference. Myanmar had already prepared a draft national programme of action for the period from 2001 to 2010 addressing the different sectors of the economy with the ultimate aim of eradicating poverty. Myanmar was currently carrying out its urban and rural development programmes without foreign assistance. It could do so more effectively if it benefited from external support.

64. **Mr. Huang** Xueqi (China) said that, at the dawn of a new century, China welcomed the significant progress made in the fields of new technologies, globalization and trade liberalization, which had contributed to the socio-economic development of mankind. It was, however, regrettable that the LDCs were running the risk of marginalization because of the very same globalization, which was prejudicial to their socio-economic situation. The international community must urgently help those countries overcome the problem of poverty which was hindering their development.

65. His delegation hoped that the Third United Nations Conference on the Least Developed Countries would offer the opportunity for those countries to express their political will and would reinvigorate the international community's interest in defining new objectives for international cooperation so as to ensure the sustainable development of those countries. China therefore welcomed the progress made in the preparations for the Conference at both the national and the regional and international levels.

66. Since the developed countries were the primary beneficiaries of globalization, it was their duty to assist the least developed countries to integrate themselves into the world economy. They must revise their current policies in order to draw up a practical plan of action which took into account the specific conditions of those countries. Those countries must be assisted on the one hand by strengthening their development capacities and on the other hand by creating external conditions conducive to their development, by taking action in the fields of trade, ODA, foreign debt, technology transfer and investment.

67. As a developing country, China had to face serious problems such as poverty and economic backwardness. Nonetheless, it had in the past 10 years provided over $2 billion in assistance to the LDCs as part of its multilateral and bilateral programmes. Furthermore, during the Chinese-African Cooperation Forum recently held in Beijing, it had announced that in the next two years it would contribute to reducing the debt of the least developed African countries through a contribution of $1.2 billion.

68. **Mr. Lukwiya** (Uganda) said that the substantial levels of support promised by the international community at the second United Nations Conference on the Least Developed Countries, held in Paris in 1990, had not materialized, although those countries had taken painful measures to effect the recommended economic reforms. Instead, the inexorable deterioration in their economic and social situation throughout the 90's had been aggravated by globalization.

69. Against that background, it was essential to reach agreement on a new and more feasible approach to development cooperation. The stakes at the next Conference were very high for the millions of people still languishing in poverty. It was therefore incumbent on the whole of the international community to give them new hope of survival. For that reason, Uganda attached great importance to the preparatory process leading up to the Conference and was determined to contribute to its success. The National Preparatory Committee, consisting of representatives of all sectors of activity, key ministries, civil society and non-governmental organizations, was finalizing an Action Programme for the Development of Uganda, covering the period 2001 to 2010.

70. Nevertheless, many of the development problems of the LDCs had been identified. A new deal designed to strengthen cooperation and achieve tangible progress should be negotiated at the third Conference. The new Programme of Action should therefore define a fresh approach to international cooperation, be action-oriented and aim to obtain faster results in areas of great concern to the LDCs, namely the inclusion of

those countries in the process of globalization, so that they could also share in the benefits it provided. The cancellation of debt was likewise a vital aspect, but it had to be backed up with the injection of additional resources to support economic transformation. Moreover the industrialized countries should, as agreed, devote 0.7 per cent of their GNP to official development assistance (ODA) for developing countries. At the same time, the quality and effectiveness of that type of aid should be enhanced. In order to improve the terms of trade of the LDCs, those countries' products should be ensured immediate duty-free and quota-free access to the developed countries' markets. Furthermore, foreign direct investment should be promoted so as to boost the LDCs' production capacities and create productive jobs. The new Programme of Action should also include the obligation to provide additional resources so as to attain the targets set in Agenda 21.

71. Peace, security and good governance were preconditions for attracting investment. The elimination of corruption and the fostering of a culture of transparency and accountability would contribute to a more effective use of foreign aid.

72. In view of the need to eradicate poverty, priority should be given to social and human development. Special attention ought to be paid to functional education and basic health care. A multidimensional approach should also be adopted to fight the HIV/AIDS pandemic and other deadly diseases.

73. The forthcoming Conference was an undertaking involving the whole United Nations system. Its follow-up would require the cooperation of all United Nations bodies, other multilateral development institutions and civil society. The United Nations had a central role to play in that endeavour. The United Nations Conference on Trade and Development (UNCTAD), as a focal point, must continue to play a key part. In addition, the office of the Special Coordinator for LDCs, land-locked LDCs and small island developing States should be strengthened substantially.

74. **Mr. Musambachime** (Zambia) said that the third United Nations Conference on the Least Developed Countries should provide an opportunity to alleviate the plight of the most vulnerable peoples through the adoption of a new deal. In the 1990s, the LDCs had experienced continuing poverty and marginalization, while the processes of globalization and liberalization coupled with advances in science and technology had increased the developed countries' prosperity. If all countries were to derive maximum benefit from the globalization process, genuine collaboration would have to be established between the LDCs and their development partners, particularly the developed countries.

75. The LDCs, including Zambia, had been forced to implement far-reaching structural and macroeconomic policies but were still facing high levels of poverty. That situation was due to various internal and external factors. At the domestic level, those countries had difficulty managing macroeconomic policies. In addition, political and civil strife sometimes sent refugees flooding into neighbouring countries. Furthermore, there were virtually no institutional arrangements to respond to the challenges of globalization and liberalization.

76. At the world level, the continuous decline in ODA flows and high levels of debt of the LDCs impeded sustained economic growth. Those countries still faced unfavourable terms of trade which heightened the dangers of marginalization, because the benefits of globalization bypassed them. Those countries were struggling to obtain access to the industrialized countries' markets and assistance from their partners was urgently required on account of the weakness of their financial, technical and productive capacities. If those countries were to become integrated in the world economy, they would have to take specific steps in cooperation with their development partners to remove the constraints linked to supply and demand that affected their trade performance.

77. The LDCs would not be able to overcome the challenges facing them without outside assistance. The support of the international community was of critical importance in order to speed up the growth of their economies. To that end, developed countries must devote 0.15 per cent of their GNP to ODA for the least developed countries, in accordance with the target set, and introduce measures to lighten the debt burden so that the resulting savings could be used to finance development programmes.

78. The high levels of debt and debt service were still a drain on the limited resources of the LCDs, despite the various debt-relief measures taken by the donor community during the previous decade. The Highly Indebted Poor Countries Initiative was by far the most

important measure adopted by the international community to address the question of the poorest countries' debt. However welcome that Initiative, it was regrettable that its implementation was taking longer than expected. There was therefore an urgent need to relax criteria for admissibility, so as to allow speedy access to the Initiative, in order that LDCs might receive debt relief.

79. The LDCs should be adequately prepared for the Conference in 2001 and, in that respect, he supported the recommendation made at the first session of the Preparatory Committee that an additional Committee session be convened in order to consider outstanding issues. The aim in respect of LDCs should be to reduce poverty, stimulate economic growth and promote sustainable development in those countries.

Agenda item 99: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) (*continued*) (A/C.2/55/L.18)

Draft resolution concerning the implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006), including the establishment of the World Solidarity Fund for Poverty Eradication (A/C.2/55/L.18)

80. **Mr. Osio** (Nigeria), speaking on behalf of the Group of 77 and China, introduced the draft resolution. Since the Decade had commenced in 1997, efforts to reduce poverty had yielded disappointing results. The purpose of the draft resolution was to revive the process, in view of the various useful contributions made on the question. The text mapped out a strategy for the implementation of the Decade, including the establishment of a World Solidarity Fund for Poverty Eradication, and requested the Secretary-General to undertake the necessary consultations on the modalities and operations of the Fund. He hoped that the Committee would adopt the text by consensus.

Other matters

81. **The Chairman** announced that, after consultations, he had appointed Mr. Zarie Zare (Islamic Republic of Iran) as facilitator for the draft resolution entitled "Strengthening the coordination of the mechanisms on the Commission for Science and Technology for Development: promoting complementarity of activities in the area of new and innovative technologies within the United Nations system" (A/C.2/55/L.3). He would facilitate informal consultations on that text.

82. **Mr. Amaziane** (Morocco), Rapporteur, speaking as the representative of Morocco, said this his country was joining the sponsors of draft resolution A/C.2/55/L.7/Rev.1 (Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources).

The meeting rose at 1.20 p.m.